

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF

RICKY DOVERS
NPN 1658481

A.I.D. NO. 96

CONSENT ORDER

On this day, the matter of Ricky Dovers ("Respondent"), an Arkansas resident producer, comes before the Arkansas Insurance Department ("Department") and Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). The Commissioner and "Respondent" agree to enter into this Consent Order. From the facts, law, and other evidence before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. Respondent, Ricky Dovers, is a licensed resident insurance producer residing in Pulaski County, Arkansas and holds an Arkansas Resident Insurance Producer License, National Producer Number 1658481.
2. Respondent was a licensed insurance producer and a contractor for JTS Financial ("JTS"), an insurance agency in Pulaski County.
3. This Consent Order is executed for the purpose of avoiding further administrative time and expense with respect to the complaints, allegations, and Department investigation initiated pursuant to Ark. Code Ann. § 23-61-103, *et seq.* and § 23-66-208(a).

4. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Respondent for acts and/or omissions unknown to the Commissioner that are not specifically addressed herein, or for facts and/or omissions that do not arise from the facts or transactions addressed herein.

5. By his signature affixed below, Respondent affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult legal counsel and has had the opportunity to do so, that he waives his right to an administrative hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, Department, or any agent or representative thereof.

6. On April 26, 2018, the Department issued Emergency Suspension Order 2018-48, pursuant to § 23-64-216(e)(1)(A), against the Respondent due to the below alleged violations and for failure to cooperate with the Commissioner in an investigation as required under § 23-64-512(a)(17).

7. The Department issued a Notice of Hearing pursuant to § 23-61-304(a) and § 23-66-209(a)(1) to the Respondent with a hearing date set for June 22, 2018. The allegations in that Notice and all additional current allegations are as follows:

a. On January 30, 2017, Respondent created and sent Evidence of Flood Insurance to Pulaski Title for a commercial building owned by JTS client, J. Hoffman Properties. The annual premium was listed as \$3,026.00, when the actual premium to purchase the coverage would have been

\$6,083.00. In April of 2017, Respondent altered the Pulaski Title financial ledger on that same property. The original ledger stated Pulaski Title sent JTS a check in the amount of \$3,026.00 and the altered ledger fraudulently showed JTS received \$6,083.00. The altered ledger was sent to Assurant as evidence of payment to JTS.

b. On April 2, 2017, Respondent improperly deposited \$910.00 of General Liability policy premium funds from Maintenance Masters into his personal account. The carrier billed JTS \$390.00 on the policy and Maintenance Masters is due \$520.00.

c. On May 23, 2017, Respondent sent JTS client, Super Sparkly Safety Products, an invoice for premium on a commercial policy that stated "Payable to Interstate Insurance", an inactive insurance agency owned by the Respondent. The Respondent subsequently deposited a \$10,572.15 premium check from Super Sparkly into his personal account on June 5, 2017. Respondent failed to maintain the premium funds in trust as required by his fiduciary duty and failed to use the funds to pay the client's premium. The insurance carrier billed JTS on the outstanding amounts of \$4,757.59 for the General Liability and \$4,768.86 for the umbrella coverage on this commercial policy.

d. On June 5, 2017, Respondent deposited a \$6,741.23 commercial policy premium down payment check from JTS client, Mid-Ark, into his personal account instead of properly applying it to the policy. The policy was

cancelled for non-payment and the insurance carrier billed JTS on the outstanding amount of \$4,629.70.

e. On June 14, 2017, Respondent deposited a general liability policy premium fund check from Cowtown Antiques into his personal account and failed to properly apply all of the funds to the policy, resulting in the insurance carrier billing JTS \$242.10 for the outstanding amount.

f. On August 2, 2017, Respondent instructed JTS client, Green Home Builders, to issue a \$5,483.92 check in the name of "Interstate Insurance" for a commercial real estate insurance policy. The premium funds check were improperly deposited into Respondent's personal account and he failed to apply the funds to the client's insurance premium. The client received a cancellation notice for non-payment and JTS paid the premium to prevent the policy from cancelling. After being terminated for various other reasons, JTS discovered the alleged fraud and Respondent repaid JTS the \$5,483.92.

g. On August 23, 2017, Respondent deposited into his personal account a \$19,239.00 premium fund check from PS Products for umbrella on their policy. The umbrella was never written and the money was never returned, requiring PS Products to again pay to obtain the needed coverage.

h. During the Department's investigative process, the Respondent failed to fully cooperate with investigators and failed to provide requested documentation related to the Mid-Ark and Super Sparkly accounts.

i. Respondent provided conflicting sworn testimony regarding his source of income in the March 14, 2018 and March 22, 2018 investigative conferences at the Department.

j. Respondent frequently co-mingled premium funds with his personal funds, failed to maintain funds in a trust, misappropriated premium funds, and failed to adequately account for any repayment of those premium funds.

8. Respondent neither admits nor denies the allegations in this Consent Order and the allegations in the previous Notice of Hearing.

CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §§ 23-61-103, 23-61-301, *et seq.*, and 23-64-501, *et seq.*

2. The allegations described in Findings of Fact 7(a) – (g) are violations of the following Ark. Code Ann. Statutes:

a. § 23-64-223 *et seq.* (Fiduciary duties); § 23-64-512(a)(2)(A) (Violating a law); § 23-64-512(a)(4) (Misappropriation); § 23-64-512(a)(7) (Unfair trade practice or fraud); § 23-64-512(a)(8) (Fraudulent, dishonest practices); § 23-64-512(a)(17) (Failure to cooperate in an investigation);

b. § 23-66-206(7) (False statements and entries); § 23-66-302 (Material False statements); § 23-66-305(a) (Misrepresentations); § 23-66-502(a) (Fraudulent insurance act)

3. Taking into consideration the allegations against him, the Respondent agrees to a voluntary revocation of his insurance producer license to the Department.

4. Pursuant to Ark. Code Ann. § 23-61-110(a)(3) and § 23-64-216(d)(3), the Respondent is ordered to make restitution of actual losses to all affected persons or entities as follows:

a. \$14,788.25 to JTS as reimbursement for the amounts JTS has been billed by the insurance carrier for outstanding balances on policies for Super Sparkly, Mid-Ark, Cowtown, and Maintenance Masters.

b. \$19,239 for repayment of premium funds to PS Products.

c. \$520 for repayment of premium funds to Maintenance Masters.

5. In accordance with § 23-64-217(b), a license may not again be issued to the Respondent until after the expiration of three (3) years and the Respondent again qualifies for a license. All outstanding restitution must be paid before Respondent may again be considered for a license. This Consent Order may be included in the Department's review and reasonable consideration in any future application for an insurance license.

6. All restitution is due and payable within six (6) months of this order. If there is any outstanding restitution due after the six (6) months, the Department

and/or the affected persons or entities may use all available legal means to enforce repayment.

7. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order.

THEREFORE, it is hereby ORDERED AND AGREED that:

All licenses issued by the Department to Ricky Dovers are hereby revoked. Respondent shall not sell, solicit, or negotiate any class or line of insurance, nor engage in any business related to insurance, in the State of Arkansas during the period of revocation and then only if properly licensed as required under the Arkansas Insurance Code.

IT IS SO ORDERED THIS 20 day of OCTOBER, 2018.



RICKY DOVERS
RESPONDENT



ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS